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#### INFORMATION NOTE

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From: General Secretariat of the Council  
To: Permanent Representatives Committee/Council

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Subject: Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the public sector loan facility under the Just Transition Mechanism  
- Outcome of the European Parliament's first reading  
(Brussels, 23 to 24 June 2021)

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#### I. INTRODUCTION

In accordance with the provisions of Article 294 of the TFEU and the Joint declaration on practical arrangements for the codecision procedure<sup>1</sup>, a number of informal contacts have taken place between the Council, the European Parliament and the Commission with a view to reaching an agreement on this file at first reading.

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<sup>1</sup> OJ C 145, 30.6.2007, p. 5.

In this context, the rapporteurs, Johan Van Overtveldt (ECR, BE) and Henrike Hahn (Greens/EFA, DE), presented, on behalf of the Committees on Budgets and on Economic and Monetary Affairs, amendment 2 to the abovementioned proposal for a Regulation and amendment 3 to the legislative resolution, containing the joint statement by the European Parliament and the Commission. These amendments had been agreed during the informal contacts referred to above. No other amendments were tabled.

## II. VOTE

When it voted on 24 June 2021, the plenary adopted the compromise amendment (amendment number 2) to the abovementioned proposal for a Regulation and amendment 3 containing the joint statement by the European Parliament and the Commission. The Commission's proposal as thus amended constitutes the Parliament's first-reading position which is contained in its legislative resolution as set out in the Annex hereto<sup>2</sup>.

The Parliament's position reflects what had been previously agreed between the institutions. The Council should therefore be in a position to approve the Parliament's position.

The act would then be adopted in the wording which corresponds to the Parliament's position.

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<sup>2</sup> The version of the Parliament's position in the legislative resolution has been marked up to indicate the changes made by the amendments to the Commission's proposal. Additions to the Commission's text are highlighted in ***bold and italics***. The symbol "■" indicates deleted text.

## **P9\_TA(2021)0311**

### **Public sector loan facility under the Just Transition Mechanism \*\*\*I**

**European Parliament legislative resolution of 24 June 2021 on the proposal for a regulation of the European Parliament and of the Council on the public sector loan facility under the Just Transition Mechanism (COM(2020)0453 – C9-0153/2020 – 2020/0100(COD))**

**(Ordinary legislative procedure: first reading)**

*The European Parliament,*

- having regard to the Commission proposal to Parliament and the Council (COM(2020)0453),
- having regard to Article 294(2) and the third paragraph of Article 175 and Article 322(1) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0153/2020),
- having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
- having regard to the opinion of the Court of Auditors of 24 September 2020<sup>3</sup>,
- having regard to the opinion of the European Economic and Social Committee of 18 September 2020<sup>4</sup>,
- after consulting the Committee of the Regions,
- having regard to the provisional agreement approved by the committees responsible under Rule 74(4) of its Rules of Procedure and the undertaking given by the Council representative by letter of 5 May 2021 to approve Parliament's position, in accordance with Article 294(4) of the Treaty on the Functioning of the European Union,
- having regard to Rule 59 of its Rules of Procedure,
- having regard to the joint deliberations of the Committee on Budgets and the Committee on Economic and Monetary Affairs under Rule 58 of the Rules of Procedure,
- having regard to the opinions of the Committee on the Environment, Public Health and Food Safety, the Committee on Industry, Research and Energy and the Committee on Regional Development,
- having regard to the report of the Committee on Budgets and the Committee on Economic and Monetary Affairs (A9-0195/2020),

1. Adopts its position at first reading hereinafter set out;

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<sup>3</sup> OJ C 373, 4.11.2020, p. 1.

<sup>4</sup> OJ C 429, 11.12.2020, p. 240.

2. Approves the joint statement by Parliament and the Commission annexed to this resolution;
3. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
4. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

**P9\_TC1-COD(2020)0100**

**Position of the European Parliament adopted at first reading on 24 June 2021 with a view to the adoption of Regulation (EU) 2021/... of the European Parliament and of the Council on the public sector loan facility under the Just Transition Mechanism**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the third paragraph of Article 175 and the first paragraph of Article 322 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the Court of Auditors<sup>5</sup>,

Having regard to the opinion of the European Economic and Social Committee<sup>6</sup>,

After consulting the Committee of the Regions,

Acting in accordance with the ordinary legislative procedure<sup>7</sup>,

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<sup>5</sup> OJ C 373, 4.11.2020, p. 1.

<sup>6</sup> OJ C 429, 11.12.2020, p. 240.

<sup>7</sup> Position of the European Parliament of 24 June 2021.

Whereas:

- (1) On 11 December 2019, the Commission adopted a communication entitled ‘The European Green Deal’, drawing a roadmap which sets out a new growth strategy for Europe and ambitious objectives for countering climate change and for environmental protection. In line with the objective of achieving *the Union’s 2030 climate target as established in Regulation (EU) 2021/... of the European Parliament and the Council*<sup>8+</sup> and achieving climate neutrality in the Union by 2050 *at the latest* in an effective and *socially* fair manner, the European Green Deal announced a Just Transition Mechanism to provide resources for facing the challenge of the transition process towards *the Union’s 2030 climate target and the objective of climate neutrality in the Union* by 2050 while leaving no one behind. The most vulnerable regions and people are the most exposed to the harmful effects of climate change and environmental degradation. ■ The transition *towards a climate-neutral economy is a source of new economic opportunities, with significant potential for job creation, in particular in territories that currently depend on fossil fuels. It can also contribute to enhanced energy security and resilience. However, the transition may also trigger short term social and economic costs in territories undergoing heavy decarbonisation process, and already weakened by the disruptive economic and social effects of the COVID-19 crisis.*
- (2) *Managing the transition will require significant structural changes at both national and regional level. To be successful, the transition needs to reduce inequalities, create a net employment effect with new high quality jobs, and be fair and socially acceptable for all, while strengthening competitiveness. In that regard, it is critical that the territories most negatively impacted by the transition, in particular coal-mining regions, can be supported in diversifying and revitalising their local economies and in creating sustainable employment opportunities for the impacted workers.*

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<sup>8</sup> Regulation (EU) 2021/... of the European Parliament and the Council of ... establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ ...).

<sup>+</sup> OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 27/21 (2020/0036(COD)) and insert the number, date and OJ reference of that Regulation in the footnote.

- (3) On 14 January 2020, the Commission adopted a communication entitled ‘Sustainable Europe Investment Plan - European Green Deal Investment Plan’, in which it proposed a Just Transition Mechanism which focuses on the regions and sectors that are most affected by the transition because of their dependence on fossil fuels, such as coal, peat and oil shale, or their dependence on greenhouse gas-intensive industrial processes, but have less capacity to finance the necessary investments. ***The creation of a Just Transition Mechanism has also been affirmed by the conclusions of the European Council of 21 July 2020.*** The Just Transition Mechanism consists of three pillars: a Just Transition Fund (JTF) implemented under shared management, a dedicated Just Transition Scheme under InvestEU, and a public sector loan facility to mobilise additional investments to the regions concerned. ***Those three pillars provide complementary support to those regions, with a view to fostering the transition to a climate-neutral economy by 2050.***

- (4) ■ For the better programming and implementation of the JTF, territorial just transition plans are to be established, setting out the key steps and timeline of the transition process and identifying the territories that are most negatively affected by the transition towards a climate-neutral economy and that have less capacity to deal with the transition challenges. Territorial just transition ***plans are to be prepared together with the relevant local and regional authorities and involve all relevant partners in accordance with Article 8 of Regulation (EU) 2021/... of the European Parliament and of the Council<sup>9+</sup>. They may be amended, together with the corresponding programmes supported by the JTF, in accordance with Article 24 of that Regulation, to include new territories which would be severely impacted by the transition in a way that was not anticipated at the time of their initial adoption.***
- (5) A public sector loan facility (the ‘Facility’) should be established. It constitutes the third pillar of the Just Transition Mechanism, ***which aims to*** support investments by public sector entities, ***given the key role of the public sector in addressing market failures***. Such investments should meet the development needs resulting from the transition challenges described in the territorial just transition plans that have been ***approved*** by the Commission. The activities envisaged for support under the Facility should be consistent with, and should complement, activities supported under the other two pillars of the Just Transition Mechanism. ***In order to align its duration with the period of the multiannual financial framework*** from 1 January 2021 to 31 December 2027 (the ‘2021-2027 MFF’) ***laid down in Council Regulation (EU, Euratom) 2020/2093<sup>10</sup>, the Facility should be established for a period of seven years.***

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<sup>9</sup> Regulation (EU) 2021/... of the European Parliament and of the Council of ... laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ ...).

<sup>+</sup> OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 47/21 (2018/0196(COD)) and insert the number, date and OJ reference of that Regulation in the footnote.

<sup>10</sup> OJ L 433 I, 22.12.2020, p. 11.



- (6) In order to enhance **cohesion and** the economic diversification of territories impacted by the transition, the Facility should cover a wide range of **sustainable** investments, provided that such investments contribute to meeting the development needs of these territories caused by the transition towards **the Union’s 2030 climate target, as established in Regulation (EU) 2021/...<sup>+</sup>** and climate **neutrality** in the Union **by 2050 at the latest**, as described in the territorial just transition plans. **In order to improve the effectiveness of the Facility, it should be able to support eligible projects which began their implementation stage prior to the submission of the application by beneficiaries to the Facility.** The Facility should not support investments **covering any of the activities excluded under Article 9 of Regulation (EU) 2021/... of the European Parliament and of the Council<sup>11++</sup>**, **but** could support investments in **renewable energy and green and sustainable mobility, including the promotion of green hydrogen, efficient** district heating networks, **public research, digitalisation, environmental infrastructure for smart waste and water** management, and **could support sustainable** energy, energy efficiency **and integration** measures, including renovations and conversions of buildings, **urban renewal and regeneration**, the transition to a circular economy, land **and ecosystem** restoration and decontamination, **taking into account the ‘polluter pays’ principle, biodiversity**, as well as up-skilling and re-skilling, training and social infrastructure, including **care facilities and** social housing.

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<sup>+</sup> OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 27/21 (2020/0036(COD)).

<sup>11</sup> Regulation (EU) 2021/... of the European Parliament and of the Council of ... establishing the Just Transition Fund (OJ ...).

<sup>++</sup> OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 5/21(2020/0006(COD)) and insert the number, date and OJ reference of that Regulation in the footnote.

- (7) Infrastructure development could also include *cross-border projects and* solutions leading to ■ enhanced resilience to withstand *ecological* disasters, *in particular those accentuated by climate change*. A comprehensive investment approach should be favoured, in particular for territories with important transition needs. Investments in other sectors could also be supported if they are consistent with the approved territorial just transition plans. By supporting investments that do not generate sufficient streams of revenues to cover their investment costs, the Facility should aim to provide public sector entities with the additional resources necessary to address the *territorial*, social, economic and environmental challenges that will result from the adjustment to the transition. In order to help identify investments that are eligible under the Facility and that have a high positive environmental impact, *including in relation to biodiversity*, the *Commission should take into account, when carrying out the evaluation of the Facility, the EU taxonomy on environmentally sustainable economic activities*. All finance partners should use, where applicable, the EU taxonomy on environmentally sustainable economic activities, *including the ‘do no significant harm’ principle, to provide for transparency in relation to sustainable projects*.

(8) *Respect for fundamental rights and compliance with the Charter of Fundamental Rights of the European Union, and in particular gender equality, should be ensured, as appropriate, throughout the preparation, evaluation, implementation and monitoring of eligible projects under the Facility. Similarly, beneficiaries and the Commission should also avoid any discrimination based on gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation, throughout the implementation of the Facility. The objectives of the Facility should be pursued in line with the United Nations Sustainable Development Goals, the European Pillar of Social Rights, the polluter pays principle, the Paris Agreement adopted under the United Nations Framework Convention on Climate Change<sup>12</sup> (the ‘Paris Agreement’) and the ‘do no significant harm’ principle.*

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<sup>12</sup> OJ L 282, 19.10.2016, p. 4.

- (9) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union (TFEU) apply to this Regulation. Those rules are laid down in the Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council<sup>13</sup> (the ‘Financial Regulation’) and determine in particular the procedure for establishing and implementing the budget through grants, prizes, procurement, indirect management, financial instruments, budgetary guarantees, financial assistance and the reimbursement of external experts, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also **include a general regime of conditionality for the protection of the Union budget.**

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<sup>13</sup> Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

- (10) The Facility should provide support in the form of grants provided by the Union combined with loans provided by a finance partner *in accordance with its rules, lending policies and procedures*. The financial envelope for the grant component, implemented by the Commission in direct management, should take the form of financing not linked to costs, in accordance with Article 125 of the Financial Regulation <sup>1</sup>. That form of financing should help incentivise project promoters to participate and contribute to the achievement of the Facility's objectives in an efficient way relative to the size of the loan. The loan component should be provided by the European Investment Bank (EIB). It should be possible to extend the Facility to enable other finance partners to provide the loan component, where additional resources for the grant component become available or where it is required for the correct implementation of the Facility. *In such cases, the Commission should inform Member States and the European Parliament about the intention to extend the Facility and select additional finance partners, taking into account their capacity to fulfil the objectives of the Facility, to contribute their own resources and to ensure appropriate geographical coverage.*

- (11) *Administrative agreements should be signed between the Commission and finance partners. Those agreements should set out the implementing arrangements for the evaluation and the monitoring of projects, as well as the respective rights and obligations of each party, including the detailed arrangements on audits, reporting and communication. The communication arrangements should include, in particular, the obligation to publish information on each individual project or loan scheme receiving support under the Facility.*
- (12) *By addressing the investment needs of the territories that are most negatively impacted by the transition towards a climate-neutral economy, the Facility should provide a key contribution to mainstream climate actions. Resources from the grant component of the Facility will therefore contribute to the achievement of the climate objectives to the same extent as the JTF.*
- (13) EUR 250 000 000 of the grant component of the Facility should be financed from the Union budget in accordance with **Regulation (EU, Euratom) 2020/2093** and should constitute the prime reference amount, within the meaning of point **18** of the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources<sup>14</sup>, for the European Parliament and the Council during the annual budgetary procedure.

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<sup>14</sup> OJ L 433 I, 22.12.2020, p. 28.

- (14) EUR 275 000 000 of the grant component of the Facility should be financed by repayments stemming from the financial instruments established under the programmes listed in Annex I to this Regulation. Such revenue stems from terminated programmes independent of the Facility and should be considered external assigned revenue by way of derogation from point (f) of Article 21(3) of the Financial Regulation on the basis of Article 322(1) TFEU.
- (15) EUR 1 000 000 000 of the grant component of the Facility should be financed by the foreseeable surplus of the provisioning for the EU guarantee established by Regulation (EU) 2015/1017 of the European Parliament and of the Council<sup>15</sup>. Therefore, a derogation should be made from point (a) of Article 213(4) of the Financial Regulation, which envisages an obligation for any surplus of provisions for a budgetary guarantee to be returned to the budget, in order to assign that surplus to the Facility. That assigned revenue should be considered external assigned revenue by way of derogation from point (f) of Article 21(3) of the Financial Regulation on the basis of Article 322(1) TFEU.

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<sup>15</sup> Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 — the European Fund for Strategic Investments (OJ L 169, 1.7.2015, p. 1).

- (16) In accordance with point (c) of Article 12(4) of the Financial Regulation, the appropriations corresponding to external assigned revenue could be automatically carried over to the successive programme or action. That provision allows for matching the multiannual schedule of assigned revenue with the implementation path of the projects financed by the Facility.
- (17) Resources for advisory support should also be provided for in order to promote the preparation, development and implementation of *eligible projects and the early preparation of projects prior to the submission of the application by the beneficiary to the Facility. A share of those resources should be dedicated to supporting the endogenous capacity of beneficiaries to ensure the sustainability of eligible* projects.
- (18) In order to ensure that all Member States are able to benefit from the grant component, a mechanism should be set up to pre-allocate national shares during a first stage, *as set out in Annex I to* Regulation (EU) 2021/...<sup>+</sup>. However, in order to reconcile that objective with the need to optimise the economic impact of the Facility and its implementation, such national shares should not be pre-allocated for the period after 31 December **2025**. Thereafter, the remaining resources available for the grant component should be provided without any pre-allocated national share and on a competitive basis at Union level, while ensuring predictability for investment and following a needs-based and regional convergence approach.

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<sup>+</sup> OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 5/21(2020/0006(COD)).



- (19) The eligibility conditions and award criteria should be set out in the work programme and the call for proposals. Those eligibility conditions and award criteria should take into account the relevance of the project in the context of the development needs described in the territorial just transition plans, the overall objective of promoting regional and territorial convergence and the significance of the grant component for the viability of the project. ***The work programmes should also set award criteria for cases where resources would be insufficient to support eligible projects. Priority should be given to projects located in less developed regions, to projects contributing directly to the achievement of Union's climate targets and projects promoted by public sector entities that have adopted decarbonisation plans with this corresponding hierarchy of criteria, where applicable.*** Union support provided under the Facility should thus only be made available to Member States that have at least one approved territorial just transition plan. The work programme and calls for proposals should also take into account the territorial just transition plans submitted by Member States to ensure that the coherence across the different pillars of the mechanism is ensured. ***In order to optimise the impact of the Facility, individual projects supported under the Facility should not receive support from other Union programmes, except in relation to the preparation of projects. However, for operations composed of identifiable separate projects, those projects can be supported by different Union programmes, in accordance with the applicable eligibility rules.***

- (20) ***In order to optimise the effectiveness of Union assistance and to prevent the replacement of potential support and investment from alternative resources, support*** under the Facility should only be provided to projects that do not generate sufficient streams of revenues to ***cover their investment costs***. Those revenues should correspond to revenues other than budgetary transfers that are generated directly by the activities carried out by the project, such as sales, fees or tolls and incremental savings generated by the upgrade of existing assets.
- (21) Since the grant component should take into account the divergent development needs of regions across Member States, such support should be adjusted ***in favour of less developed regions***. Taking into account the fact that public sector entities in less developed regions **█** generally experience lower public investment capacity, the grant rates applied to loans provided to such entities should be comparatively higher.

- (22) In order to ensure the effective implementation of the Facility, it may be necessary to provide advisory support for the preparation, development and implementation of projects. Such support should be provided through the InvestEU Advisory Hub *for eligible projects and for the preparation of projects prior to the submission of applications, paying particular attention to beneficiaries that have lower administrative capacity or that are located in less developed regions*. It should also be possible for such support to be granted *under other Union programmes*.
- (23) *In order to measure the effectiveness of the Facility, its capacity to meet its objectives and support the preparation of its possible prolongation beyond 2027, the Commission should carry out an interim and a final evaluation, including an assessment of the possibility of adopting provisions on a gender impact assessment, if appropriate, and should submit the evaluation reports to the European Parliament and to the Council. Pursuant to paragraphs 22 and 23 of the Interinstitutional Agreement of 13 April 2016 on Better Law-Making<sup>16</sup>, the Facility should be evaluated on the basis of information collected in accordance with specific monitoring requirements, while avoiding an administrative burden, in particular on Member States, and overregulation.*

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<sup>16</sup> OJ L 123, 12.5.2016, p. 1.

- (24) In order to speed up implementation and ensure that resources are used in a timely fashion, this Regulation should lay down specific safeguards to be included in the grant agreements. In view of that objective, the Commission, in line with the principle of proportionality, should be able to reduce or terminate any Union support in cases where there is a serious lack of progress in the implementation of the project. ***The Financial Regulation applies to the Facility.*** In order to ensure coherence in the implementation of Union funding programmes, the Financial Regulation should apply to the grant component and to resources for advisory support provided under the Facility.

(25) In accordance with the Financial Regulation and Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council<sup>17</sup> and Council Regulations (EC, Euratom) No 2988/95<sup>18</sup>, (Euratom, EC) No 2185/96<sup>19</sup> and (EU) 2017/1939<sup>20</sup>, the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities, including fraud, the recovery of funds lost, wrongly paid or incorrectly used, and, where appropriate, the imposition of administrative penalties. In particular, in accordance with Regulations (Euratom, EC) No 2185/96 and (EU, Euratom) No 883/2013, the European Anti-Fraud Office (OLAF) has the power to carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. The European Public Prosecutor's Office (EPPO) is empowered, in accordance with Regulation (EU) 2017/1939, to investigate and prosecute criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council<sup>21</sup>. In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the financial interests of the Union, grant the necessary rights and access to the Commission, OLAF, the Court of Auditors and, in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, the EPPO, and ensure that any third parties involved in the implementation of Union funds grant equivalent rights.

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<sup>17</sup> Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).

<sup>18</sup> Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).

<sup>19</sup> Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

<sup>20</sup> Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 283, 31.10.2017, p. 1).

<sup>21</sup> Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

- (26) In order to amend certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of the key performance indicators *to monitor implementation and progress of the Facility*. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.
- (27) *In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission as regards work programmes and the conditions and procedures for selecting finance partners other than the EIB. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council<sup>22</sup>.*

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<sup>22</sup> Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

(28) Since the objective of this Regulation, namely to benefit the territories most negatively impacted by the transition towards climate neutrality by addressing the corresponding development needs through leveraging public investments, cannot be sufficiently achieved by the Member States alone, owing to the difficulties that public sector entities have in supporting investments which do not generate sufficient streams of revenues *to cover their investment costs*, ■ but can rather, by reason of the need for a coherent implementation framework under direct management, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective,

HAVE ADOPTED THIS REGULATION:

# CHAPTER I

## GENERAL PROVISIONS

### Article 1

#### Subject matter and scope

This Regulation *establishes* the public sector loan facility (the ‘Facility’) *for the duration* of the 2021-2027 MFF in support of public sector entities by combining grants from the Union budget with loans granted by the finance partners, and sets out the objectives of the Facility. It lays down rules for the grant component of the Facility, covering in particular its budget **■**, the forms of Union support and provisions on eligibility.

The Facility shall provide support benefiting Union territories facing serious social, economic and environmental challenges deriving from the transition towards *the Union’s 2030 climate target and the objective of climate neutrality in the Union* by 2050.



## Article 2 Definitions

For the purposes of this Regulation, the following definitions apply:

- (1) 'administrative agreement' means a legal instrument establishing the cooperation framework between the Commission and a finance partner setting out the respective tasks and responsibilities for the implementation of the Facility in accordance with this Regulation;
- (2) 'beneficiary' means a ■ legal entity established in a Member State as a public law body or established as a body governed by private law entrusted with a public service mission, with which the Commission has signed a grant agreement under the Facility;
- (3) 'finance partners' means the EIB, other international financial institutions, national promotional banks and financial institutions, *including private financial institutions*, with which the Commission signs an administrative agreement to cooperate within the Facility;
- (4) 'project' means any action identified by the Commission as being eligible for Union support under the Facility, intended to accomplish an indivisible task of a precise economic or technical nature, which has a pre-defined objective and a set period during which it must be implemented and finalised;

- (5) 'territorial just transition plan' means a plan established in accordance with Article 11 of Regulation (EU) 2021/...<sup>+</sup> and approved by the Commission;
- (6) 'loan scheme' means a loan granted to a beneficiary by finance partners that is aimed at financing a set of several pre-determined projects under the Facility;
- (7) 'less developed region' means a less developed region as referred to in Article 108(2) of Regulation (EU) 2021/...<sup>++</sup>.

### Article 3 Objectives

1. The general objective of the Facility is to address serious social, economic and environmental challenges deriving from the transition towards ***the Union's 2030 climate and energy targets and the objective of climate neutrality*** in the Union ***by 2050 at the latest, set out in Regulation (EU) 2021/...<sup>+++</sup>***, for the benefit of the Union territories identified in the territorial just transition plans.
2. The specific objective of the Facility is to increase public sector investments which address the development needs of the territories identified in the territorial just transition plans, by facilitating the financing of projects that do not generate sufficient streams of revenues ***to cover their investment costs, in order to prevent the replacement of potential support and investment from alternative resources.***

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<sup>+</sup> OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 5/21 (2020/0006(COD)).

<sup>++</sup> OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 47/21 (2018/0196(COD)).

<sup>+++</sup> OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 27/21 (2020/0036(COD)).

3. In pursuing the specific objective referred to in paragraph 2, this Regulation also aims to ensure that advisory support for the preparation, development and implementation of eligible projects, where necessary, ***including support for the preparation of projects prior to the submission of the application***, is provided. That advisory support shall be provided in accordance with the rules and implementation methods for the InvestEU Advisory Hub established by Article 25 of Regulation (EU) 2021/523 of the European Parliament and of the Council<sup>23</sup>.

#### ***Article 4***

##### ***Horizontal principles***

1. ***Respect for fundamental rights and compliance with the Charter of Fundamental Rights of the European Union, and in particular gender equality, shall be ensured, as appropriate, throughout the preparation, evaluation, implementation and monitoring of eligible projects.***
2. ***Beneficiaries and the Commission shall avoid any discrimination based on gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation throughout the implementation of the Facility. In particular, accessibility for persons with disabilities, when relevant, shall be taken into account throughout the preparation and implementation of eligible projects.***
3. ***The objectives of the Facility shall be pursued in line with the United Nations Sustainable Development Goals, the European Pillar of Social Rights, the ‘polluter pays’ principle, the Paris Agreement and the ‘do no significant harm’ principle.***

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<sup>23</sup> Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30).

## Article 5

### Budget

1. Without prejudice to additional resources allocated in the Union budget for the 2021-2027 period, the grant component of the Facility shall be financed from:
  - (a) resources from the Union budget at an amount of EUR 250 000 000 in current prices; and
  - (b) assigned revenue as referred to in paragraph 2 up to a maximum amount of EUR 1 275 000 000 in current prices.
2. The assigned revenue referred to in point (b) of paragraph 1 shall be provided by repayments stemming from financial instruments established under the programmes listed in Annex I to this Regulation, up to a maximum amount of EUR 275 000 000, and from the surplus of the provisioning for the EU guarantee established by Regulation (EU) 2015/1017, up to a maximum amount of EUR 1 000 000 000.
3. The resources and assigned revenue referred to in paragraph 1 may be complemented by financial contributions from Member States, from third countries and from bodies other than those set up under the TFEU or the Treaty establishing the European Atomic Energy Community. Those financial contributions shall constitute external assigned revenue within the meaning of Article 21(5) of the Financial Regulation.

4. By way of derogation from point (f) Article 21(3) of the Financial Regulation, resources stemming from repayments referred to in paragraph 2 of this Article shall constitute external assigned revenue within the meaning of Article 21(5) of the Financial Regulation. By way of derogation from point (a) of Article 213(4) of the Financial Regulation, the resources stemming from surplus of the provisioning for the EU guarantee referred to in paragraph 2 of this Article shall constitute external assigned revenue within the meaning of Article 21(5) of the Financial Regulation.
5. An amount up to 2 % of the resources referred to in paragraph 1 may be used for technical and administrative assistance for the implementation of the Facility, such as preparatory, monitoring, control, audit and evaluation activities, including in relation to corporate information technology systems, as well as administrative expenditures and fees of the finance partners.
6. Resources up to an amount of EUR **35 000 000** included in those referred to in paragraph 1 shall be provided for activities set out in Article 3(3), ***out of which at least EUR 10 000 000 shall support the administrative capacity of beneficiaries, in particular in the less developed regions.***
7. Budgetary commitments for actions extending over more than one financial year may be broken down over several years into annual instalments.

CHAPTER II  
UNION SUPPORT

Article 6

Form of Union support and method of implementation

1. Union support provided under the Facility shall be provided in the form of grants in accordance with Title VIII of the Financial Regulation.
2. Union support provided under the Facility shall be implemented in direct management in accordance with the Financial Regulation.



Article 7

Availability of resources

1. The resources referred to in Article 5(1) *and* (3), after deduction of a provision for technical and administrative expenditure referred to in Article 5(5), shall be used to finance projects in accordance with paragraphs 2 and 3.
2. For grants awarded pursuant to calls for proposals published not later than 31 December **2025**, Union support awarded to eligible projects in a Member State shall not exceed the national shares set out in *Annex I to Regulation (EU) 2021/...*<sup>+</sup>.

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<sup>+</sup> OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 5/21 (2020/0006(COD)).

3. For grants awarded pursuant to calls for proposals published as from 1 January **2026**, Union support awarded to eligible projects shall be provided without any pre-allocated national share and on a competitive basis at Union level until the exhaustion of remaining resources. The award of such grants shall take into account the need to ensure the predictability of investment and the promotion of regional convergence, ***paying special attention to less developed regions, in accordance with the award criteria as provided for in Article 14(2).***

## Article 8

### Administrative agreements with finance partners

Prior to the implementation of the Facility with a finance partner, the Commission and the finance partner shall sign an administrative agreement. The agreement shall set out the respective rights and obligations of each party to the agreement, including audit and communication arrangements ***including in particular the obligation to publish information on each project financed through the Facility and the scope of loan schemes.***

CHAPTER III  
ELIGIBILITY

Article 9  
Eligible projects

1. Only projects that contribute to the objectives set out in Article 3 and that fulfil all the following conditions shall be eligible for Union support under the Facility:
  - (a) the projects achieve a measurable impact, ***and include output indicators where appropriate***, in addressing serious social, economic and environmental challenges deriving from the transition towards ***the Union's 2030 climate and energy targets and the objective of climate neutrality*** in the Union ***by 2050 at the latest*** and benefit territories identified in a territorial just transition plan, even if the projects are not located in those territories;
  - (b) the projects do not receive support under any other Union programmes; ■
  - (c) the projects receive a loan by a finance partner under the Facility; and
  - (d) the projects do not generate sufficient streams of revenues ***to cover their investment costs, in order to prevent the replacement of potential support and investment from alternative resources***;



2. *By way of derogation from point (b) of paragraph 1, projects receiving Union support under the Facility may also receive advisory and technical assistance support from other Union programmes for their preparation, development and implementation.*
3. *The Facility shall not support activities excluded under Article 9 of Regulation (EU) 2021/...<sup>+</sup>.*

## Article 10

### Eligible persons and entities

Notwithstanding the criteria set out in Article 197 of the Financial Regulation, only legal entities established in a Member State as a public law body or established as a body governed by private law entrusted with a public service mission, shall be eligible to apply as potential beneficiaries under this Regulation.

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<sup>+</sup> OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 5/21(2020/0006(COD)).

## CHAPTER IV

### GRANTS

#### Article 11

##### Grants

1. Grants shall take the form of financing not linked to costs in accordance with point (a) of Article 125(1) of the Financial Regulation.
2. The amount of the grant shall not exceed 15 % of the amount of the loan provided by the finance partner under the Facility. For projects located in territories in less developed regions, the amount of the grant shall not exceed **25 %** of the amount of the loan provided by the finance partner under the Facility.
3. Payments of an awarded grant may be split into several instalments linked to progress in implementation as set out in the grant agreement.

## Article 12

### Reduction or termination of the grants

1. In addition to the grounds specified in Article 131(4) of the Financial Regulation, after consulting the finance partner, the Commission may reduce the amount of the grant or terminate the grant agreement if within two years from the date of signature of the grant agreement, the economically most significant supply contract, works contract or services contract has not been signed and the conclusion of such contract is envisaged pursuant to the grant agreement.
2. Where Union support is combined with loan schemes *or* where a supply contract, works contract or services contract is not envisaged, paragraph 1 does not apply.

In such cases, after consulting the finance partner, the Commission may reduce the amount of the grant or terminate the grant agreement, and recover any related amounts paid, in accordance with the conditions set out in the grant agreement.

CHAPTER V  
ADVISORY SUPPORT SERVICES

Article 13

Advisory support services

1. Advisory support under this Regulation shall be implemented in indirect management in accordance with the rules and implementation methods for the InvestEU Advisory Hub.
2. Activities necessary to support the preparation, development and implementation of projects shall be eligible for advisory support *and shall be financed in accordance with Article 5(6)*.

CHAPTER VI  
PROGRAMMING, MONITORING, EVALUATION AND CONTROL

Article 14

Work programmes

1. The Facility shall be implemented by work programmes established in accordance with Article 110 of the Financial Regulation.
2. ***The work programmes shall include award criteria that apply whenever the total requested grant support for eligible projects would exceed the available resources. These criteria shall include priorities, where applicable, for:***
  - (a) *projects promoted by beneficiaries located in less developed regions;*
  - (b) *projects that contribute directly to the achievement of the Union's 2030 climate and energy targets and the objective of climate neutrality in the Union by 2050 at the latest; and*
  - (c) *projects promoted by beneficiaries that have adopted decarbonisation plans.*
3. ***The Commission shall adopt the work programmes by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 20.***

## *Article 15*

### *Selection of finance partners other than the EIB*

- 1. The Commission shall set out the conditions and procedures for selecting finance partners other than the EIB by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 20.*
- 2. The conditions for selecting finance partners other than the EIB shall reflect the objectives of the Facility.*
- 3. In particular, when selecting finance partners, the Commission shall take into account the capacity of potential finance partners:*
  - (a) to ensure that their lending policy is consistent with Union environmental and social standards, the Union's 2030 climate and energy targets and the objective of climate neutrality in the Union by 2050;*
  - (b) to contribute sufficient own resources to maximise the impact of the Union grant;*
  - (c) to ensure appropriate geographical coverage of the Facility and allow for the financing of smaller individual projects;*

- (d) to implement thoroughly the requirements set out in Article 155(2) and (3) of the Financial Regulation concerning money laundering, terrorism financing, tax avoidance, tax fraud, tax evasion and non-cooperative jurisdictions;*
- (e) to ensure transparency and adequate visibility concerning each project financed through the Facility.*

**4. The Commission shall publish the list of the finance partners selected in accordance with this Article.**

#### Article 16

##### Monitoring and reporting

1. Key performance indicators to monitor the implementation of the Facility and its progress towards the achievement of the objectives set out in Article 3 are set out in Annex II.
2. The performance reporting system shall ensure that data regarding the indicators referred to in paragraph 1 are collected effectively, efficiently and in a timely fashion. Beneficiaries *and* finance partners shall provide the Commission with data regarding those indicators *in accordance with the grant agreements and administrative agreements, respectively.*
3. *By 31 October of each calendar year, starting with ... [OJ: the calendar year following the date of entry into force of this Regulation], the Commission shall issue a report on the implementation of the Facility. That report shall provide information on the level of implementation of the Facility with respect to its objectives, conditions and performance indicators.*

4. *Where the interim evaluation report referred to in Article 17(2) finds that the indicators set out in Annex II do not allow for a proper assessment of the Facility, the Commission shall be empowered to adopt delegated acts in accordance with Article 19 to amend the key performance indicators set out in Annex II.*

#### Article 17

#### Evaluation

1. Evaluations of the implementation of the Facility and its capacity to achieve the objectives set out in Article 3 shall be carried out in a sufficiently timely manner to take appropriate action.
2. An interim evaluation shall be performed by 30 June 2025 *and a report on that interim evaluation shall be submitted to the European Parliament and to the Council.* The interim evaluation shall in particular assess:
  - (a) the extent to which the Union support provided under the Facility contributed to address the needs of territories implementing the territorial just transition plans;
  - (b) *how the horizontal principles referred to in Article 4 were taken into account;*
  - (c) *the need to carry out gender impact assessment;*
  - (d) *the application of the eligibility conditions set out in Article 9 and how the visibility obligations were applied;*
  - (e) *on basis of the projects supported by the Facility, the extent to which the Facility contributed to the environmental objectives laid down in Article 9 of Regulation (EU) 2020/852 of the European Parliament and of the Council<sup>24</sup>, taking into account the applicable screening criteria provided for in that Regulation.*

*The interim evaluation report may be accompanied by a legislative proposal which takes into account, in particular, possible adjustments to the eligibility conditions.*

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<sup>24</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).



3. At the end of the implementation period, in any case not later than 31 December 2031, ***the Commission shall submit to the European Parliament and to the Council*** a final evaluation report on the results and long-term impact of the Facility, which shall also assess the matters ***set out in paragraph 2.***

## Article 18

### Audits

1. Audits of the use of the Union support provided under the Facility carried out by persons or entities, including by persons or entities other than those mandated by the Union institutions or bodies, shall form the basis of the overall assurance pursuant to Article 127 of the Financial Regulation.
2. Beneficiaries and finance partners, ***in accordance with their respective grant and administrative agreements,*** shall provide to the Commission and any designated auditors all available documents that are necessary for them to carry out their auditing tasks.
3. ***The external audit of the activities undertaken in accordance with this Regulation in relation to the use of the Union support provided under the Facility shall be carried out by the Court of Auditors in accordance with Article 287 TFEU. For those purposes, the Court of Auditors, at its request, shall be granted access to any document or information necessary to carry out its auditing tasks, including any information on the evaluations of applications and their outcome, in accordance with Article 287(3) TFEU.***

Article 19  
Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Article 16(4) shall be conferred on the Commission until 31 December 2028.
3. The delegation of power referred to in Article 16(4) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Inter-institutional Agreement of 13 April 2016 on Better Law-Making.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

6. *A delegated act adopted pursuant to Article 16(4) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.*

*Article 20*

*Committee procedure*

1. *The Commission shall be assisted by the committee established by Article 115(1) of Regulation (EU) 2021/...<sup>+</sup>. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.*
2. *Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.*

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<sup>+</sup> OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 47/21 (2018/0196(COD)).

CHAPTER VII  
TRANSITIONAL AND FINAL PROVISIONS

Article 21

*Information, communication and visibility*

1. Beneficiaries and finance partners shall ensure the visibility of the Union support provided under the Facility, in particular when promoting the projects and their results, by providing targeted information to multiple audiences, including the media and the public.
2. The Commission shall implement information and communication actions relating to the Facility, the funded projects and the results of those projects. ***That includes, in particular, informing Member States of the Commission's intention to open the Facility to finance partners other than the EIB and informing Member States of the calls for proposals that have been published, as well as raising awareness regarding technical and administrative support provided to beneficiaries.*** Financial resources allocated to the Facility shall also contribute to the **■** communication of the political priorities of the Union, insofar as they are related to the objectives set out in Article 3. ***The Commission shall publish and regularly update the list of projects financed under the Facility.***

Article 22  
Transitional provisions

*If necessary, appropriations may be entered in the budget beyond 2027 to cover the **expenses provided for in Article 5(5)** to enable the management of actions not completed by 31 December 2027.*

Article 23  
Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at ...,

*For the European Parliament*

*For the Council*

*The President*

*The President*

## ANNEX I

### Financial instruments from which repayments may be used for the Facility

#### A. Equity Instruments:

- European Technology Facility (ETF98): Council Decision No 98/347/EC of 19 May 1998 on measures of financial assistance for innovative and job-creating small and medium-sized enterprises (SMEs) - the growth and employment initiative (OJ L 155, 29.5.1998, p. 43);
- TTP: Commission decision adopting a complementary financing decision concerning the financing of actions of the activity “Internal market of goods and sectoral policies” of the Directorate-General Enterprises & Industry for 2007 and adopting the framework decision concerning the financing of the preparatory action “The EU assuming its role in a globalised world” and of four pilot projects “Erasmus young entrepreneurs”, “Measures to promote cooperation and partnerships between micro and SMEs”, “Technological Transfer” and “European Destinations of excellence” of the Directorate-General Enterprises & Industry for 2007 (C(2007) 531);
- European Technology Facility (ETF01): Council Decision No 2000/819/EC of 20 December 2000 on a multiannual programme for enterprise and entrepreneurship, and in particular for small and medium-sized enterprises (SMEs) (2001-2005) (OJ L 333, 29.12.2000, p. 84);

- GIF: Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013) (OJ L 310, 9.11.2006, p. 15);
- Connecting Europe Facility (CEF): Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010 (OJ L 348, 20.12.2013, p. 129) as modified by Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 — the European Fund for Strategic Investments (OJ L 169, 1.7.2015, p. 1);
- COSME EFG: Regulation (EU) No 1287/2013 of the European Parliament and of the Council of 11 December 2013 establishing a Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME) (2014 - 2020) and repealing Decision No 1639/2006/EC (OJ L 347, 20.12.2013, p. 33);

- InnovFin Equity:
  - Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) and repealing Decision No 1982/2006/EC (OJ L 347, 20.12.2013, p. 104);
  - Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in “Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)” and repealing Regulation (EC) No 1906/2006 (OJ L 347, 20.12.2013, p. 81);
  - Council Decision No 2013/743/EU of 3 December 2013 establishing the specific programme implementing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) and repealing Decisions 2006/971/EC, 2006/972/EC, 2006/973/EC, 2006/974/EC and 2006/975/EC (OJ L 347, 20.12.2013, p. 965);



- EaSI Capacity Building Investments Window: Regulation (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013 on a European Union Programme for Employment and Social Innovation (“EaSI”) and amending Decision No 283/2010/EU establishing a European Progress Microfinance Facility for employment and social inclusion (OJ L 347, 20.12.2013, p. 238).

B. Guarantee Instruments:

- SME Guarantee Facility '98 (SMEG98): Council Decision No 98/347/EC of 19 May 1998 on measures of financial assistance for innovative and job-creating small and medium-sized enterprises (SMEs) - the growth and employment initiative (OJ L 155, 29.5.1998, p. 43);
- SME Guarantee Facility '01 (SMEG01): Council Decision No 2000/819/EC of 20 December 2000 on a multiannual programme for enterprise and entrepreneurship, and in particular for small and medium-sized enterprises (SMEs) (2001-2005) (OJ L 333, 29.12.2000, p. 84);
- SME Guarantee Facility '07 (SMEG07): Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013) (OJ L 310, 9.11.2006, p. 15);

- European Progress Microfinance Facility – Guarantee (EPMF-G): Decision No 283/2010/EU of the European Parliament and of the Council of 25 March 2010 establishing a European Progress Microfinance Facility for employment and social inclusion (OJ L 87, 7.4.2010, p. 1);
- Risk-Sharing Instruments:
  - Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013) Statements by the Commission (OJ L 412, 30.12.2006, p. 1);
  - Council Decision No 2006/971/EC of 19 December 2006 concerning the Specific Programme Cooperation implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 to 2013) (OJ L 400, 30.12.2006, p. 86);
  - Council Decision No 2006/974/EC of 19 December 2006 on the Specific Programme: Capacities implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 to 2013) (OJ L 400, 30.12.2006, p. 299);

- EaSI-Guarantee: Regulation (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013 on a European Union Programme for Employment and Social Innovation (“EaSI”) and amending Decision No 283/2010/EU establishing a European Progress Microfinance Facility for employment and social inclusion (OJ L 347, 20.12.2013, p. 238);
- COSME Loan Guarantee Facility (COSME LGF): Regulation (EU) No 1287/2013 of the European Parliament and of the Council of 11 December 2013 establishing a Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME) (2014 - 2020) and repealing Decision No 1639/2006/EC (OJ L 347, 20.12.2013, p. 33);
- InnovFin Debt:
  - Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in “Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)” and repealing Regulation (EC) No 1906/2006 (OJ L 347, 20.12.2013, p. 81);

- Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) and repealing Decision No 1982/2006/EC (OJ L 347, 20.12.2013, p. 104);
- Council Decision No 2013/743/EU of 3 December 2013 establishing the specific programme implementing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) and repealing Decisions 2006/971/EC, 2006/972/EC, 2006/973/EC, 2006/974/EC and 2006/975/EC (OJ L 347, 20.12.2013, p. 965);
- Cultural and Creative Sectors Guarantee Facility (CCS GF): Regulation (EU) No 1295/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Creative Europe Programme (2014 to 2020) and repealing Decisions No 1718/2006/EC, No 1855/2006/EC and No 1041/2009/EC (OJ L 347, 20.12.2013, p. 221);

- Student Loan Guarantee Facility (SLGF): Regulation (EU) No 1288/2013 of the European Parliament and of the Council of 11 December 2013 establishing 'Erasmus+': the Union programme for education, training, youth and sport and repealing Decisions No 1719/2006/EC, No 1720/2006/EC and No 1298/2008/EC (OJ L 347, 20.12.2013, p. 50);
- Private Finance for Energy Efficiency (PF4EE): Regulation (EU) No 1293/2013 of the European Parliament and of the Council of 11 December 2013 on the establishment of a Programme for the Environment and Climate Action (LIFE) and repealing Regulation (EC) No 614/2007 (OJ L 347, 20.12.2013, p. 185).

C. Risk-Sharing Instruments:

- InnovFin:
  - Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in “Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)” and repealing Regulation (EC) No 1906/2006 (OJ L 347, 20.12.2013, p. 81);
  - Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) and repealing Decision No 1982/2006/EC (OJ L 347, 20.12.2013, p. 104);

- Connecting Europe Facility Debt Instrument (CEF DI): Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010 (OJ L 348, 20.12.2013, p. 129);
- Natural Capital Financing Facility (NCOFF): Regulation (EU) No 1293/2013 of the European Parliament and of the Council of 11 December 2013 on the establishment of a Programme for the Environment and Climate Action (LIFE) and repealing Regulation (EC) No 614/2007 (OJ L 347, 20.12.2013, p. 185).

D. Dedicated Investment Vehicles:

- European Progress Microfinance Facility – Fonds commun de placements – fonds d'investissements spécialisés (EPMF FCP-FIS): Decision No 283/2010/EU of the European Parliament and of the Council of 25 March 2010 establishing a European Progress Microfinance Facility for employment and social inclusion (OJ L 87, 7.4.2010, p. 1);
- Marguerite:
  - Regulation (EC) No 680/2007 of the European Parliament and of the Council of 20 June 2007 laying down general rules for the granting of Community financial aid in the field of the trans-European transport and energy networks (OJ L 162, 22.6.2007, p. 1);
  - Commission Decision of 25.2.2010 on European Union participation in the 2020 European Fund for Energy, Climate Change and Infrastructure (the Marguerite Fund) (C(2010) 941);
- European *Energy* Efficiency Fund (EEEF): Regulation (EU) No 1233/2010 of the European Parliament and of the Council of 15 December 2010 amending Regulation (EC) No 663/2009 establishing a programme to aid economic recovery by granting Community financial assistance to projects in the field of energy (OJ L 346, 30.12.2010, p. 5).



ANNEX II  
Key performance indicators<sup>25</sup>

1. Volume of grants awarded
2. Volume of loans signed
  - 2.1 Individual loans
  - 2.2 Loan schemes
3. Overall investment mobilised, divided as follows
  - 3.1 Amount of private financing mobilised
  - 3.2 Amount of public financing mobilised
4. Number of projects receiving support, broken down by
  - 4.1 Country
  - 4.2 NUTS 2 region
  - 4.3 Just transition territory supported

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<sup>25</sup> *All indicators shall be broken down by region, where relevant. All personal data shall be broken down by gender, where relevant.*

5. Number of projects receiving financing under the Facility
6. Number of projects by sector
  - 6.1 Transport
  - 6.2 Social infrastructure
  - 6.3 Public utilities (water, wastewater, district heating, energy, waste management)
  - 6.4 Direct support to facilitate the transition towards *climate neutrality* (renewable energy, *decarbonisation*, energy efficiency)
  - 6.5 Environmental *objectives*
  - 6.6 Urban infrastructure *and* housing
  - 6.7 Others
7. Greenhouse gas emission reductions, *where relevant*
8. *Job creation, where relevant*

**Joint Statement of the European Parliament and of the Commission**

In the event that the expected cumulative resources from assigned revenues would differ substantially from the amount referred to in point (b) of Article 5(1) of the Regulation (EU) 2021/... of the European Parliament and of the Council<sup>26+</sup>, the European Parliament, based on a proposal of the Commission, will identify and support the allocation to the public sector loan facility, in accordance with Article 314 of the Treaty on the Functioning of the European Union, of complementary resources needed to address the financing needs of the public sector loan facility and ensure its full implementation. The proposal of the Commission will be consistent with the multiannual financial framework and will not jeopardise the implementation of the programmes listed in Annex I to Regulation (EU) 2021/...<sup>++</sup>.

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<sup>26</sup> Regulation (EU) 2021/... of the European Parliament and of the Council of ... on the public sector loan facility under the Just Transition Mechanism (OJ ... ).

<sup>+</sup> OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 33/21 (2020/0100(COD)) and insert the number, date and OJ reference of that Regulation in the footnote.

<sup>++</sup> OJ: Please insert in the text the number of the Regulation contained in document PE-CONS 33/21 (2020/0100(COD)).